PLACER COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

Thursday, December 13, 2007 2:30 P.M.

Meeting Minutes

The Board of Directors of the Placer County Air Pollution Control District met in session at 2:30 P.M., Thursday, December 13, 2007 at the Placer County Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, California. Representing the District was: Tom Christofk, Air Pollution Control Officer; Todd Nishikawa, Compliance and Enforcement Manager; Yu-Shuo Chang, Planning and Monitoring Manager; Don Duffy, Associate Air Pollution Control Engineer; Heather Kuklo, Air Quality Specialist II; and Jane Bailey, Administrative Services Manager.

- 1. Call to Order: Chairman Holmes
- 2. Flag Salute:
- 3. Roll Call / Determination of a Quorum

Present: Mike Holmes, Tom Millward, Jim Holmes, Kent Nakata, Peter Hill, Kirk Uhler and Sherrie Blackmun

Absent: Robert Weygandt and Jim Gray

- **4. Approval of Minutes:** October 11, 2007 Regular Board Meeting **Motion:** Mike Holmes, second: Tom Millward; approved unanimously
- **5. Public Comment:** No public comment
- 6. Synopsis of Agenda (information only, no action needed)
- 7. Approval of Agenda:

Motion: Kent Nakata, second: Kirk Uhler; approved unanimously

Public Hearing / Action Items

8. Adoption of Rule 411, <u>Indemnification of District</u>: (Public Hearing/Action)

Director Hill, Chairman of the Ad Hoc committee formed to work on the language of this rule, said that the committee has been looking at some alternatives and that they still had some questions regarding the rule language. The questions have been forwarded to County Counsel and there is no answer yet. Director Hill suggested that the item be continued to the next regular meeting; February 14, 2008. There were no objections.

Placer County Air Pollution Control District Board Meeting Minutes December 13, 2007 Page 2 of 8

9. Adoption of Rule 412, <u>Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations</u> and amendment of Rule 601 Permit Fees: (Public Hearing/Action)

Mr. Don Duffy, Associate Air Pollution Control Engineer, presented this item. He gave a power-point presentation outlining the highlights of this new proposed rule. The California Health and Safety Code requires the California Air Resources Board (CARB) to develop Airborne Toxic Control Measures (ATCMs) to reduce public exposure to toxic air contaminants and requires districts to implement and enforce airborne toxic control measures developed by CARB. Current District policy is to implement and enforce ATCMs and not seek adoption of a separate District rule.

The new CARB requirements for stationary agricultural engines, 50 horsepower or above, include adding emission limits on in-use diesel agricultural engines and requiring either permitting or registration of these engines. Existing engines must be registered or permitted with APCD by March 1, 2008. New engines must be registered within 90 days of installation after the regulation is final and be replaced on a schedule based on the engine's emission profile. The reason for this deadline is to help make the District aware of the engines so that step two, which requires eventual replacement of the engines, can be implemented. The engines need to be replaced between 12/2010 and 12/2015, depending on the age and emission profile of the engine.

The District has decided to register rather than permit the agricultural engines. CARB did a survey when they made the ACTM change and have reported that this air district has approximately 61 of the type of engine that would be affected by this rule.

In addition to proposed new Rule 412, the existing Rule 601, <u>Permit Fees</u>, will need to be amended to add the fees for Rule 412. The initial fees have been designed to cover the cost of staff time and to recover the cost of outreach. There will also be an inspection fee for each engine at the time of replacement to verify the engine information.

In order to reach as many of the farmers/growers as possible, District Staff gave presentations to several local agency commissions. Public notices were placed in three local newspapers; direct mailers went out to all rice growers and burn permit holders in the District database, and two public workshops were held in Lincoln on November 5 & 7, 2007.

Director Millward was concerned that the Board was going to adopt a new rule for only 61 engines. Mr. Duffy said that even though there were not that many engines in our county that the rule would apply to and that the District is compelled to respond to CARB and enforce ATCMs mandated by them. Mr. Christofk said that many farmers use pumps that are less than 50 horsepower and that the rule would not apply to those engines. Mr. Christofk also made the point that the registration process would be a way to find these engines since agricultural engines had not been regulated in the past and the District doesn't

Placer County Air Pollution Control District Board Meeting Minutes December 13, 2007 Page 3 of 8

know where they all are. The goal is to get the engine upgraded to a cleaner operating machine that would lessen the health risks to the community.

Chairman Jim Holmes opened public comment and Mr. Paul Ferrari of Ferrari Farms in Lincoln came forward to speak. He said he had two pumps that were registered with Sacramento Metropolitan Air Quality Management District (SMAQMD). He still supplies them with information and that the engines are late model engines and he doesn't know the horsepower. He said he'd like to go to electric pumps, but that the rate per kilowatt fluctuates during the day and it isn't profitable to run the pump on electricity. He was also concerned that the next step would be that his tractors and other equipment would come under regulation. He felt that if the people who make the rules tried to make a living farming they would not make so many rules and that since he was registered with SMAQMD that he shouldn't have to register with Placer County as well.

Director Hill was concerned about the fact that Mr. Ferrari had voluntarily registered with SMAQMD that he, as a director of PCAPCD, would be willing to waive the fees for him. Mr. Christofk said that it was more likely that Mr. Ferrari had received Moyer funds to upgrade his engines. In receiving these funds, he would have had to agree to report usage information on his upgrade but was not registered with SMAQMD.

Director Millward was concerned about the fees required to register and re-register these engines on a three year cycle. Mr. Christofk said that several years ago this Board directed Staff to charge fees in order to have each program pay for itself. Before that time the District was doing it's best to regulate and enforce state mandates without any associated revenue streams. He said that this fee program is as "bare bones" as the Staff could make it.

Director Blackmun asked if Clean Air Grant Funds could help farmers with the costs of replacing the older engines. Mr. Christofk said that they could, as long as it was done before the deadline of December 31, 2011. Once it becomes a requirement, incentive money can no longer be provided.

Motion: Peter Hill, second Mike Holmes, approved unanimously

10. Amendment of Rule 225, Wood Fired Appliances: (Public Hearing/Action)

Mr. Christofk asked Heather Kuklo, Air Pollution Specialist II, to present this item and propose this rule change. She gave a power point presentation including the back ground of the rule change, impacts from smoke, rule analysis, incentive program and particulate matter (PM) reductions and cost effectivity.

The purpose for amending this rule which affects residential wood burning is to limit PM emissions generated from these sources in order to improve air quality, protect public health and to meet state and federal standards. PM is a criteria pollutant that air districts are required to regulate. There is a threshold that the District cannot exceed for this

Placer County Air Pollution Control District Board Meeting Minutes December 13, 2007 Page 4 of 8

pollutant and there are several health issues associated with PM.

The District is currently in non-attainment of State standards for PM 10 which is the larger of the two types of PM for which there are designated standards. The District is considered to have attained the Federal standard for PM 2.5 but the EPA is reviewing the data submitted since the data shows that the District is on the borderline of attainment. Amending Rule 225 so that it is effective County wide will help the District to achieve attainment of the State PM 10 standard and maintain attainment of the Federal PM 2.5.

Ms. Kuklo went on to explain the make up of PM in order to impress upon the Board and the public the reasons why it is incumbent upon the District to do as much as possible to reduce the amount of PM in the air. In acute cases, continued exposure to PM can cause or contribute to allergies, asthma, respiratory disease, heart disease, decreased lung function, and lung cancer.

Wood smoke generated from incomplete combustion contains far more PM and other undesirable particulates than wood smoke given off from complete combustion. Total PM 2.5 winter emissions from wood burning appliances in 2005 were 6.5 tons per day or 1179 ton per year. PM 2.5 is an extremely large portion of the PM generated from wood burning appliances. It is easy to see that if wood burning appliances were either not installed or replaced with more efficient appliances, these figures could be reduced significantly and the District could more easily achieve attainment.

Having fewer wood burning appliances in use and/or using more efficient appliances will help to minimize smoke related health issues for the citizens of Placer County. Rule 225 has provisions which will help ensure that smoke from wood burning appliances can not be a nuisance and will limit visible smoke to a level of 20% opacity or less except for startup and shutdown.

Ms. Kuklo went on to list the summary of requirements for amended Rule 225. The major changes are that: instead of just applying to Squaw Valley, the rule will apply to the entire county. All appliances installed in new construction must meet EPA certification standards, or the equivalent, beginning January 1, 2009; all installed appliances for existing development and that are designed to upgrade an already existing wood burning appliance must meet EPA certification standards, or the equivalent, beginning January 1, 2012 and existing non-certified free standing wood stoves which are part of a property sale or transfer must be rendered inoperable effective January 1, 2012 (fireplaces are exempt from this requirement).

The District worked with the County Assessors office to determine how many existing appliances are in operation in the County. Approximately 1,004 such appliances are listed in County records. The costs of additional equipment required by builders in new construction are likely to be passed on to home buyers and are considered to be lower

Placer County Air Pollution Control District Board Meeting Minutes December 13, 2007 Page 5 of 8

than 0.6% of the median price of a home in Placer County. For point of sale requirements, if a stove is rendered inoperable but not replaced, the cost to comply will be negligible.

District Staff estimate that there will be a reduction of about 20.76 tons of emissions per year after the first year of primary implementation which begins January 1, 2012. As construction continues and homes are sold, emission reductions will increase each subsequent year. Eventually all the older inefficient and non-certified wood burning appliances will be upgraded or replaced.

Included in the plan for implementation of Rule 225 is an incentive program, sponsored and managed by the District, which will assist homeowners with replacing their existing non-certified appliance with a certified appliance. The program will be developed in the first quarter of 2008 and be made available until 2012. At that time, the rule will be fully effective and the District will no longer be able to offer incentives.

District staff hosted five public workshops county wide, two of which were directed at the real estate community in particular. The workshops were well attended and some of the public input was taken back to the rule development table. Other outreach included: a flyer submitted to the Placer County Realtors Association for inclusion in their weekly newsletter, two bulk mailings, rule information was provided at the Auburn Home Show in September, and there were several notices published in local papers. All of the rule information has been published on the District's website which received 252 hits in November on Rule 225 alone.

Director Blackmun asked how Staff would respond if a wood stove owner claimed that it wasn't fair for homeowners with fireplaces to be exempt from the rule. Ms. Kuklo said that wood stoves can be replaced easily where an open hearth fireplace replacement or demolition could cost a homeowner far in excess of what the wood stove owner would need to pay. This could easily be a deal breaker on a home sale.

Director Uhler asked how enforcement would be implemented at the time of a sale. Ms. Kuklo said that District Staff will work with the Realtors Association to develop a process over the next four years. District Staff do not plan to go into each home at time of sale to inspect for compliance. Mr. Christofk said that all new development that has been conditioned through the California Environmental Quality Act (CEQA) process since 1992 has been subject to these conditions. It is only the older homes built before 1992-93 that may still have a non-certified appliance. With the help of the Assessor's office, the District has been able to build a database that captures information on those homes that may be subject to this rule at the time of sale.

Director Uhler wondered what would happen to a new owner if the condition "slipped through the cracks" at point of sale and was discovered at a later date. Who would be

Placer County Air Pollution Control District Board Meeting Minutes December 13, 2007 Page 6 of 8

responsible for any fine or penalty at that point? Mr. Christofk said that there is always civil litigation where the buyer could have recourse against the seller. If the District never knows about it, then there is no issue, however, if the District does find out, the appliance will need to be brought into compliance at that time. This process is still in the development stage and will be brought to the Board at the appropriate time.

Director Millward wanted to know why the rule wasn't going into effect right away. Ms. Kuklo explained that the District is allowing time for contractors who already have plans in the review process with the County, time to finish that process and not have to re-do their plans and effectively start over. This will give contractors and builders time to revise future plans before submitting them. This was one of the ideas that came from the public workshops and seemed reasonable to Staff.

Chairman Jim Holmes opened the public comment section of the meeting and several members of the audience came forward to speak about this item. Mr. John Crouch representing the Hearth, Patio and Barbeque Association, said his association supported the rule and that Placer County has been more responsive than many of the larger air districts in implementing this rule. He said that this air district is breaking ground in California with some of the regulation refinements such as the opacity rule and exempting open hearth fireplaces. Ms. Susan Rohan, representing the Placer County Association of Realtors, also spoke in favor of the rule and said she really appreciated the outreach efforts made by District Staff. She said that she hoped to work with the District over the next six months to refine the language regarding implementation of the rule and that she also hoped to assist in developing a process for ensuring the rule was made known to buyers and sellers during real estate transactions. Ms. Ann Vincent from Breathe California Sacramento Emigrant Trails also spoke in favor of the rule and offered her agency's support as did Dr. Richard Burton; Placer County Health Officer.

Chairman Jim Holmes closed the public hearing session and brought the item back to the Board for action. He asked if the alternative language brought by the Realtors Association was something the Board needed to act on today. Mr. Christofk said that it was an option that the Board could consider. He said that Staff was fine with the alternative language for Sections 303.1.1 to 303.1.3, although he thought one word in Section 303.1.3 should be changed from "will" to "may". This section has to do with whether each property containing a free standing stove would be inspected to verify compliance.

Director Uhler moved that the rule be adopted with the suggested changes from the Realtor's Association and the edit point of changing the word "will" to "may" in section 303.1.3

Motion: Kirk Uhler, second Kent Nakata, approved unanimously by six members as Mike Holmes left before the item was presented.

Placer County Air Pollution Control District Board Meeting Minutes December 13, 2007 Page 7 of 8

11. Air Pollution Control Officer's Report

meetings the last two years he had provided a status report on the Union Pacific Rail Road (UPRR) Memorandum of Understanding (MOU) with the District. He said he will not be providing a detailed report at this meeting for a number of reasons, one of which is that he doesn't have the statistics yet to quantify whether the 10% reduction over the period of the MOU has been met. The Rail Road needs to provide some information to the District and they have not as yet. Mr. Christofk said that he plans to provide a more detailed report at the same time as the air monitoring and mitigation data report is delivered to the Board. These reports should be presented to the Board at the April 10, 2008 meeting.

He said that there is a proposal from the Technical Advisory Committee (TAC) to extend the monitoring program at the rail yard for one more year. One reason for this is that the mitigations are just beginning to phase in and the trends cannot be truly captured until another year has passed. The monitoring should have been delayed a year at the beginning in order for the mitigation efforts to appear in the data. The second reason for continuing for another year is that the capital investment has already been made and the equipment is still in place. This makes the cost to extend another year relatively minor. The Rail Road has already said that they would be interested in cost sharing for the additional year.

Mr. Christofk said that Phase II of the "Hood" project is expected to begin in 2008, but that the Rail Road needs to work out some of their technical issues such as where and how to set up the equipment to do more extensive testing. He has pursued funding for the \$1.5 million project and has gotten pledges from several sources including \$100K in the District budget.

- **b. Board Chairperson and Vice Chairperson for 2008:** This is Director Jim Holmes' last meeting as Chairperson. Next year Director Nakata, from the City of Lincoln, will be Chairperson and Director Millward, from the Town of Loomis, will serve as Vice Chairperson. This rotation is based on the Administrative Rules, Article II Section 2.1.
- **c. Fiscal Update:** Ms. Jane Bailey, Administrative Services Manager said that based on the balance sheet figures, the District looks fiscally sound. Approximately one quarter of the "Cash in Treasury" is encumbered and in April after the Clean Air Grants are awarded approximately \$1.2 million more will be encumbered.

The District has already taken in almost all of the projected permit fees and the only other anticipated revenue for the next six months will be approximately \$200K in interest income. In addition the District will be taking in approximately

Placer County Air Pollution Control District Board Meeting Minutes December 13, 2007 Page 8 of 8

\$1.2 million in DMV (AB2766) revenue to add to the Clean Air Grant funds. As usual, once the Clean Air Grants are encumbered the revenue to expense ratio will even out.

Director Hill asked about the settlement money from the Sierra Pacific litigation and whether the District had received all of it yet. Mr. Christofk said that it had all been received and is in the bank earning interest until such time as he can bring to the Board a plan for spending it. One thing that has been holding things up is getting the actuarial study regarding the Other Post Employee Benefits (OPEB) that the District would like to fund up front. He will be meeting with the County Executive's Office to work this piece out. He also would like to use some of the money to fund the wood stove incentive program. Both of these items will hopefully be funded from the interest income generated from the settlement funds which is projected to be about \$170 thousand this year.

Chairperson Jim Holmes asked if there were any other questions or comments from the Board. Director Blackmun asked if Staff were going to make agricultural engine owners aware that they may qualify for Clean Air Grant money to help replace their older engines. Mr. Christofk said yes, that there would be more out reach on that. Director Hill complimented Staff on their presentations which he said were very clear and understandable. He said that it was evident that a lot of work went into the presentations and was happy to see so much public support of the District.

12. Adjournment: Chairman Jim Holmes adjourned the meeting at 4:45 PM.

Margie Koltun, Clerk of the Board

NEXT REGULARLY SCHEDULED MEETING: Thursday, February 14, 2007 at 2:30 PM